

## Message Text

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ACTION IO-10

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TO SECSTATE WASHDC 9259

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E.O. 11652: N/A

TAGS: AORG, WHO

SUBJ: US ASSESSMENT IN WHO

REF: STATE 247540

SUMMARY: WHO/DG AND A/DG OF OPINION THAT EARLY REDUCTION US PERCENTAGE CONTRIBUTION TO 25 PERCENT COULD BEST BE ACCOMPLISHED BY A DG APPEAL TO WHO EX BD FOLLOWING A US OFFICIAL COMMUNICATION OR STATEMENT FOR THE RECORD OF ITS INABILITY TO PAY MORE THAN 25 PERCENT. A/DG FURTH SEES SERIOUS PROBLEMS WITH APPROACH OF UTILIZING REMOVAL OF PER CAPITA CEILING ON CONTRIBUTIONS AS A MEANS OF REDUCING US LEVEL. FURTH ALSO INDICATED IF WORST CAME TO WORST IN VIEW OF THE RELATIVELY MODEST AMOUNTS INVOLVED, WHO COULD WEATHER US FAILURE TO PAY THE FULL ASSESSMENT FOR SEVERAL YEARS THROUGH RECOURSE TO WORKING CAPITAL FUND. END SUMMARY.

1. ACCOMPANIED BY MISSION OFFICERS BINDA AND LAWRENCE, I CALLED UPON WHO DIRECTOR GENERAL MAHLER NOVEMBER 14 AND DISCUSSED WITH HIM AND WHO A/DG WARREN FURTH THE EARLY REDUCTION OF US ASSESSMENT RATE OF 25 PERCENT, TAKING INTO ACCOUNT IN LIMITED OFFICIAL USE

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OUR DISCUSSION THE CONTENTS OF REFTEL.

IN GENERAL, MAHLER WAS MORE INCLINED TO BE FORTHCOMING IN AN EFFORT TO MEET OUR REQUIREMENTS THAN FURTH, WHO CLEARLY FELT IT HIS RESPONSIBILITY TO POINT OUT TO DG THE PITFALLS OR PROBLEMS CONNECTED WITH THE VARIOUS SUGGESTIONS.

2. FOR INSTANCE, ALTHOUGH MAHLER WAS PREPARED CONSIDER UTILIZATION OF THE REMOVAL OF THE PER CAPITA LIMINATION ON CONTRIBUTIONS (AS APPROVED RECENTLY IN THE GENERAL ASSEMBLY) AS AN IMMEDIATE MEANS FOR REDUCING US CONTRIBUTIONS, FURTH NOTED THAT NORMALLY WHO WOULD NOT APPLY THE NEW UN POLICY OF NO PER CAPITA CEILING UNTIL AFTER ITS APPLICATION BY THE UN, I.E. AFTER 1977. MOREOVER, HE POINTED OUT THAT THE REDUCTION IN THE CURRENT LEVELS OF CANADA, LUXEMBOURG AND SWEDEN, OCCASIONED BY THE PER CAPITA CEILING, HAD NOT BEEN CALCULATED UNTIL AFTER THE US CONTRIBUTION LEVEL AT 29.18PERCENT FOR 1974 AND 25.64 PERCENT FOR 1975 HAD BEEN ESTABLISHED. THESE REDUCTIONS, THEREFORE, HAD RESULTED IN RAISING THE LEVEL OF CERTAIN OTHER COUNTRIES. IF PER CAPITA CEILINGS WERE REMOVED THE RESULTING PERCENTAGES SAVED WOULD HAVE TO BE APPLIED TO THOSE COUNTRIES WHOSE PERCENTAGES HAD BEEN RAISED AS A RESULT OF THESE CEILINGS. TO DO OTHERWISE WOULD, IN HIS OPINION, EITHER INVOLVE AN OFFER ON THE PART OF CANADA, LUXEMBOURG AND SWEDEN TO FORGO THEIR PER CAPITA CEILING BENEFITS IN FAVOR OF THE US, OR WOULD REQUIRE AN APPEAL BY THE US FOR A WHA DECISION TO THAT EFFECT. THIS WOULD SURELY ENCOUNTER VERY SERIOUS POLITICAL DIFFICUTIIIES IN THE LIGHT OF THE TEXT AND LEGISLATIVE HISTORY OF RES WHA 26.21. IT WAS FURTH'S INTERPRETATION OF RES WHA 26.21 THAT US CONTRIBUTION COULD BE REDUCED ONLY ON BASIS OF NEW MEMBERS AND NORMAL TRIENNIAL INCREASES IN PERCENTAGES OF MEMBERS OWING TO NATIONAL INCOME INCREASES. (WE OF OPINION THAT TEXT OF RES NEED NOT BE INTERPRETED AS EXCLUDING OTHER POSSIBILITIES). FINALLY, FURTH NOTED THAT REMOVAL OF PER CAPITA CEILING WOULD INVOLVE LIMITED OFFICIAL USE

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ONLY .46 PERCENT AND .18 PERCENT LESS THAN THE TOTAL AMOUNT REQUIRED TO REDUCE THE US TO 25 PERCENT.

3. MAHLER WAS OF THE OPINION THAT, SHOULD WE DECIDE TO ENDEAVOR TO UTILIZE REMOVAL OF PER CAPITA CEILINGS, IT WOULD BE DESIRABLE TO ASK ONE OF THE PER CAPITA CEILING COUNTRIES TO TAKE AN INITIATIVE IN OUR BEHALF. HE DID NOT ACTUALLY COMMIT HIMSELF

TO SO DO BUT IT POSSIBLE HE MIGHT BE PERSUADED  
CONSIDER APPROACHING ONE OF THESE COUNTRIES FOR  
THAT PURPOSE.

4. BOTH MAHLER AND FURTH WERE OF THE OPINION THAT  
THE PREFERABLE APPROACH FOR AN IMMEDIATE REDUCTION  
WOULD BE AN ENDEAVOR TO PERSUADE EXECUTIVE BOARD  
AND ASSEMBLY THAT THE TIME HAD COME FOR FULL  
APPLICATION OF UN SCALE. HOWEVER, THE DG WOULD  
HAVE NO BASIS ON WHICH TO CALL FOR THIS, PARTICULARLY  
IN THE FACE OF THE WORDING OF RESOLUTION  
WHA 26.21, UNLESS IT WERE TO RESULT FROM AN OFFICIAL  
AND FORMAL NOTIFICATION BY THE US TO HIM AND/OR  
THE EXECUTIVE BOARD THAT US UNABLE PAY MORE  
THAN 25PERCENT. BOTH MAHLER AND FURTH MADE MUCH OF  
THIS POINT, AGREEING THAT THE US HAD MADE KNOWN  
TO THEM INFORMALLY ON NUMEROUS OCCASIONS THE US  
SITUATION WITH RESPECT TO LEGISLATIVE RESTRICTINS  
ON APPROPRIATIONS. HOWEVER, THEY EMPHASIZED, THIS HAD  
NEVER BEEN ACCEPTED AND RECORDED AS THE OFFICIAL  
POSITION OF THE US GOVERNMENT WITH RESPECT TO  
THE ORGANIZATION. IF WE WERE NOW PREPARED TO PUT  
IN WRITING OR TO ANNOUNCE AT THE EXECUTIVE BOARD  
OUR INTENTION NOT TO PAY (I.E. OUR INABILITY TO  
PAY), THE DIRECTOR GENERAL COULD THEN ASK BOARD  
IN LIGHT THIS SITUATION TO RECALCULATE WHO  
ASSESSMENT SCALE IN ORDER TO ENSURE THAT THE  
ORGANIZATION RECEIVES CONTRIBUTIONS FROM ASSESSMENTS  
TOTALLY 100PERCENT OF BUDGET REQUIREMENTS.

5. WE HAD THE IMPRESSION THAT THE WHO OFFICIALS ARE MORE  
CONCERNED WITH THE POSSIBLE EMBARRASSMENT OF THE  
US UNDER THE CIRCUMSTANCES THAN WARRANTED BY  
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OUR ACTUAL SITUATION. WE AGREED CLARIFY WITH DEPT  
WHETHER IT IS US INTENTION THAT DG AND EXECUTIVE  
BOARD TAKE OFFICIAL NOTE OF US INABILITY TO PAY  
MORE THAN 25PERCENT REGARDLESS OF THE AMOUGHT IT MAY BE  
ASSESSED. AS DEPT AWARE, SEVERAL ALLUSIONS  
TO THII US POSITION HAVE BEEN MADE IN THE PAST NAD  
NO ONE IN SECRETARIAT AND VERY FEW, IF ANY, MEMBERS  
CAN BE IN DOUBT ABOUT OUR INTENTIONS, BUT IT HAS  
NEVER BEEN NOTED IN THE OFFICIAL RECORD OF THE  
ORGANIZATION. WE BELIEVE, ON THE BASIS OF OUR  
LEGISLATIVE SITUATION, WE SHOULD BE AUTHORIZED  
TO MAKE OUR POSITION OFFICIALLY KNOWN TO THE DG  
AND EX BD IN ORDER TO PERMIT THE DG TO APPEAL  
FOR A RE-CALCULATION OF THE ASSESSMENT SCALE.

6. IT OUR OPINION THAT PRESENT SITUATION IS  
IN SOME RESPECTS ANALOGOUS TO THAT WHICH EXISTED  
IN ILO WHEN IN FACE OF REPEATED EFFORTS TO RAISE  
US ASSESSMENT LEVEL ABOVE 25.PERCENT. US INFORMED  
ALLOCATIONS COMMITTEE ON SEVERAL OCCASIONS IN LATE  
SIXTIES THAT, ON BASIS OUR LEGISLATION, WE WOULD BE  
UNABLE TO PAY MORE THAN 25PERCENT. AGAIN WHEN CONGRESS  
APPROPRIATED LESS THAN THE FULL AMOUNT OF OUR  
ASSESSMENT BY ILO WE MADE KNOWN TO THE ORGANIZATION  
IN COMMITTEE OUR INABILITY TO PAY THE AMOUNT WE  
OWED WHILE INDICTING OUR INTENTION TO SEEK AN  
APPROPRIATION TO MAKE GOOD OUR ARREARAGES.

6. US STATEMENT MIGHT INCLUDE ACKNOWLEDGEMENT  
OUR TREATY OBLIGATIONS (AS WE UNDERSTAND WAS DONE  
IN CASE OF ILO) AND INTENTION AND HOPE OF  
ADMINISTRATION EVENTUALLY TO MAKE GOOD ON ANY  
ARREARAGES THAT MIGHT OCCUR (THIS LATTER PORTION  
OF STATEMENT MIGHT BE OPTIONAL.) IN ANY CASE, IF  
IT US INTENTION TO FOLLW SUCH LINE, WE BELIEVE IT  
SHOULD BE DONE IN WRITING AT EARLY DATE IN ORDER  
PERMIT DG TIME TO PREPARE NECESSARY PROPOSALS FOR  
EX BD IN JANUARY.

8. IT OF INTEREST, AND PERHAPS INDICATIVE OF  
WHO ATTITUDE, THAT FURTH NOTED THAT IN UNHAPPY  
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EVENT US FAILED PAY MORE THAN 25PERCENT AND DID NOT  
REIMBURSE WHO OF ITS ARREARAGES UNTIL 1978 (AFER  
US CONTRIBUTION REDUCED TO 25 PERCENT FOLLOWING ADOPTION  
NEW TRIENNIAL SCALE BY UN) THE CUMULATIVE  
SHORTFALL IN US CONTRIBUTIONS TO WHO WOULD BE  
ABOUT 7 OR 8 MILLION WHICH IT COULD PERHAPS  
BORROW FROM WORKING CAPITAL FUND, ALTHOUGH MAHLER  
NOTED THE WCF MIGHT THEN HAVE TO BE INCREASED (WE  
INDICATED PROBABLY US OPPOSITION TO AN INCREASE  
IN WCF). DALE

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